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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 03/23/06

INDEX:

- (1) Poll: 87% feel income gap expanding
- (2) E-mail fiasco: Minshuto to urge Nagata to reveal middleman's name; LDP to call for summoning that individual before Diet
- (3) Iwakuni City's referendum on USFJ realignment: Overwhelming opposition against central government plan
- (4) Iwakuni City's referendum on USFJ realignment: Overwhelming opposition against central government plan; Opinion by Taku Yamasaki, LDP Security Affairs Commission chairman, aims at realizing USFJ realignment
- (5) Government must stresses to US its great benefits from strengthened base functions in Guam by relocating Okinawa Marines
- (6) "Rising Sun-led crude oil" project now adrift
- (7) Arguments for and against whaling: Fisheries Agency - "Whale meat consumption can be expanded," "Whaling is necessary for controlling aquatic resources"; Those against whaling - "Japan's needs for whale meat are low," "Research is possible by observation"

ARTICLES:

- (1) Poll: 87% feel income gap expanding

The Japan Polling Association conducted a face-to-face nationwide public opinion survey on March 4-5 to probe into the public awareness of income disparities. In the survey, respondents were asked if they thought the nation's income gap was widening. In response to this question, "yes" and "yes to a certain degree" totaled 87%. As is evident from the figure, the widening of income disparities is now being felt by the greater part of the nation. The government will likely be urged to carry out a fact-finding survey for policy-based countermeasures.

The most common reason given for "yes" and "yes to a certain degree" was the increasing number of part-time workers at 43%, pointing to an increase in the number of nonpermanent employees who are less paid than permanent employees. Among other reasons, 32% attributed it to the expansion of corporate and industrial wage differentials, with 31% picking socioeconomic advantages to the rich.

Meanwhile, a total of 8% answered "no" or "no to a certain degree" when they were asked if they thought the income gap was widening. Among them, 38% did not think the gap was becoming wider in wages based on ability or work performance.

In the survey, respondents were also asked if they thought the nation's economy was improving. In response to this question, "yes" and "yes to a certain degree" totaled 61%, up 21 percentage points from a previous survey conducted at the same time a year before. "No" and "no to a certain degree" totaled 35%. As seen from these figures, the general public was upbeat about the nation's economy, substantially differing from the previous

TOKYO 00001521 002 OF 009

survey in which public opinion was split.

Polling methodology: For the survey, a total of 3,000 persons were sampled out of males and females aged 20 and over at 250 locations throughout the country on a stratified two-stage random-sampling basis, so as to epitomize the nation's voting population of more than a 100 million. The survey was conducted over a period of two days, March 4-5, on a face-to-face interview basis. Answers were obtained from 1,810 persons, excluding those who could not be interviewed because of their having moved away or being on a trip, or for other reasons. The retrieval rate was 60.3%. In the breakdown of respondents, males accounted for 48.0%, and females 52.0%.

(2) E-mail fiasco: Minshuto to urge Nagata to reveal middleman's name; LDP to call for summoning that individual before Diet

ASAHI (Page 4) (Full)
March 23, 2006

House of Representatives member Hisayasu Nagata apologized yesterday to the Lower House Disciplinary Committee for creating the e-mail uproar. Nagata's explanation was focused on conversations between him and a middleman, a freelance reporter, who had acted as a go-between for Nagata and the information source. The main opposition party Minshuto (Democratic Party of Japan), which has suspended Nagata's membership, intends to convince Nagata to reveal the name of the middleman at a committee session on March 24. The ruling coalition has strongly called for summoning the middleman to testify as a witness before the Diet. Chances are strong that the committee will decide what punishment should be given to Nagata next week or later.

Nagata explained the reasons why he believed a false e-mail that allegedly Livedoor Co. had transferred money to a son of Liberal Democratic Party (LDP) Secretary General Tsutomu Takebe. He said that: the middleman had repeatedly told him that bringing up the email issue at the Diet he would be able to achieve self-realization and get the credit; the middleman said he had given him the most important e-mail from among 200 e-mails; and the middleman had told him the money was transferred from the

Roppongi bank branch of a major bank to the Ginza bank branch of a major bank.

Nagata, however, gave no grounds for his information. He did not mention exchanges between the middleman and him until he judged that the e-mail was a fake.

LDP Acting Secretary General Ichiro Aisawa told reporters yesterday: "(Nagata's explanation) will not convince the public. He will have to explain more specifically at a committee session on March 24."

LDP Diet Affairs Committee Chairman Hiroyuki Sonoda said to reporters yesterday, "We have to ask the person caused the e-mail uproar the reason why he gave (Nagata) the false e-mail." He indicated that Diet testify by the middleman is indispensable.

The focus will be shifted to the name of the middleman, the result of Minshuto's investigation into the e-mail fiasco planned for the end of March, the committee's decision on Nagata's punishment, and on whether Nagata will give up his Diet seat.

TOKYO 00001521 003 OF 009

Minshuto intends to urge Nagata to reveal the name of the middleman in the form of responding to a question by the ruling camp at tomorrow's committee session. Secretary General Yukio Hatoyama said, "He should reveal the name during the session." If Nagata does not accept the party's request, the main opposition party plans to reveal the name when it makes public the result of its investigation. However, many party members are reluctant to take legal steps, with a senior member remarking, "We don't have time to file a lawsuit against such a person."

The expectation is that the Disciplinary Committee will give Nagata an order to suspend his attendance at the Diet for 30 days. However, since calls for his resignation are strong inside and outside Minshuto, the e-mail fiasco will not be resolved soon.

(3) Iwakuni City's referendum on USFJ realignment: Overwhelming opposition against central government plan

ASAHI (Page 15) (Full)
March 17, 2006

Opinion by Iwakuni Assembly member Jungen Tamura

It is significant that the citizens of Iwakuni City were able to express their opposition to an increase in their burden of hosting a US military base prior to final formulation by the governments of Japan and the United States of a report on the realignment of US bases in Japan.

There is a view that it is inappropriate to take a referendum on security, for which the central government is responsible. However, it is impossible to stably operate the base without cooperation from the local community. If carrier-borne aircraft are transferred to Iwakuni base, the number of US jet flights there will double and greatly affect the lives of Iwakuni residents. Therefore, obtaining local understanding is absolutely necessary.

Based on the National Protection Law, local governments are working on drafting a national protection plan that would involve local governments and private companies. Local government jurisdictions, including the use of ports, are involved. Since jurisdictions of local and central governments are sometimes intertwined, national defense is an immediate issue for local communities.

The transfer of carrier-based aircraft transfer to Iwakuni is planned for 2009 after the ongoing construction of an offshore runway is completed. After a US military plane crashed into the campus of Kyushu University in 1968, there was a strong outcry for Iwakuni base to be relocated, because communities were

worried out another accident. Because of this reason, the construction is now underway to build a new runway on land reclaimed from the sea. Now, the central government has decided to transfer carrier-born aircraft to Iwakuni to use the new runway.

Although the offshore runway project was planned to respond to the wish of Iwakuni residents, the government has decided to use it as part of the USFJ realignment process. Iwakuni residents view the central government's plan to transfer carrier-borne aircraft from Atsugi base (Kanagawa Prefecture), where more than

TOKYO 00001521 004 OF 009

a million people live, to Iwakuni base, where only 100,000 live, as done only for its convenience. The local citizens, therefore, became very angry at the government's plan. After the city decided to conduct a referendum, many central government officials made comments downplaying Iwakuni's decision. This only has added fuel to the fire in Iwakuni.

Of course, Iwakuni residents have raised various reasons for their opposition to the transfer of carrier-born aircraft. While some residents have called for a removal of the base, others are against any strengthening of the functions of the base; while a third group opposes the plan because they still do not know what economic incentives the central government will offer them. But once such a package is revealed, the third group may accept or may think they have to go along with it.

Since Iwakuni City financially depends on a base economy. The city is not viable without the presence of the base. In the past, it was able to build a new office building because of subsidies in return for its acceptance of a heliport unit. The Defense Facilities Administration Agency's (DFAA) budget is used for various public facilities, including the sewage system and roads.

Iwakuni Mayor Ihara is completely aware of that reality. He will end his tenure on March 19 when Iwakuni City and seven towns and villages merge to become a new city. The new Iwakuni mayor will be elected in late April. If Ihara is elected as the new mayor, he may introduce a flexible policy.

Nevertheless, the city residents after agonizing over the issue, decided to vote "no" to the plan, Their opposition is significant.

Iwakuni residents are normally cooperative toward the base. They have been regarded as meek when it came to base problems. Whenever the issue of strengthening the functions of the base was raised, the mayor made the decision to accept it. No claims were ever filed for damages against base noise. Since many citizens earn their living by working at the base, base issues were regarded as taboo. With the referendum this time as a turning point, a public backlash against pressure from the base suddenly erupted, resulting in a majority of votes opposing the transfer of carrier-born aircraft.

USFJ realignment will have an impact on the local community for the next 20 to 30 years. Therefore, in-depth discussion on the issue should be conducted, respecting the views of local communities as much as possible. The government's unilateral imposition is therefore unacceptable.

(4) Iwakuni City's referendum on USFJ realignment: Overwhelming opposition against central government plan; Opinion by Taku Yamasaki, LDP Security Affairs Commission chairman, aims at realizing USFJ realignment

ASAHI (Page 15) (Full)
March 17, 2006

I predicted that Iwakuni's referendum would turn out that way. The government takes a position of being responsible for the security of the entire nation, but for local residents, there is strong feeling that such is a nuisance. If a public opinion poll were conducted on the same issue, most people would oppose it.

Iwakuni City will merge with neighboring municipalities on March 20. A decision on the issue should be made after the new mayor is elected.

Since the Iwakuni issue is linked to the realignment of US forces in Japan, the central government will likely continue its effort in order to obtain local understanding.

It is desirable for the central government to reach an agreement with the United States after securing the consent of local governments by explaining its plans to local residents and convincing them. I think there could be such a case. However, there is a limit to the local government's authority. The central government is responsible for foreign policy and security. Even if the government fails to obtain approval of the local residents, it will in the end implement its plan.

When Tokyo and Washington compiled an interim report on the USFJ realignment at the end of October, I pointed out that it was the report having been formulated without the participation of local governments would be a problem. I thought the central government should have explained its plan to local governments before coming up with an interim report. It is true that a consensus on the details had not yet been reached within the government, so it was difficult for the government to explain its realignment plan to local governments. I have made efforts to explain the government plan, but I was able to explain matters only to Okinawa. Unless the US Marine Futenma Air Station relocation issue is resolved, the entire USFJ realignment process will not be realized. The US government has placed top priority on the relocation of Futenma heliport functions, thinking that as long as this issue remains unsettled, it will not be possible to reach a final agreement. Regarding Okinawa's plan to build an alternate heliport offshore, the central government and local governments were able to coordinate views, but the main reason for the plan failing to be realized was because the new heliport had to be built on coral reefs. Supporters of environmentalism in Tokyo were the main protesters to the offshore plan. They were concerned about coral reefs rather than the safety of residents. Local fishermen let them use their boats (for demonstrations) for their own safety, not for protesting against the heliport plan.

In August 2004, a US Marines' helicopter crashed on the campus of Okinawa International University. As a result, distrust of the entire US forces in Japan spread to other parts of Japan as well. Anti-US Marines movements erupted. If the Futenma base were relocated as agreed by the Japan-U.S. Special Action Committee on Okinawa (SACO), the problem would have been resolved. Therefore, Washington is unhappy with the present situation, thinking that Tokyo is to blame for the Futenma issue since agreement was reached.

There might be a possibility that a final agreement will be delayed to next month in order to ensure the effectiveness of the plan. No changes will be made in the government plan, but coordination is needed between the central government and local residents. I believe that the city of Nago will accept the government plan at the end. I can say that there is no possibility at present of changing the relocation site. The relocation site, the area, and the length of a runway will not be changed since they have been agreed between the governments of Japan and the United States.

The residents of Nago City want security and regional development. The reason why they put up a stronger fight than ever is because that flight routes are located near their residential area. They are concerned about safety. However, most flight routes are not over the shore. If the site is changed, the issues of dugongs and coral reefs will come up again. I think the government's plan this time is best.

We must realize the relocation plan in order to maintain the Japan-US alliance, which is one of the pillars of Japan's foreign policy. The Koizumi government has set the deadline of a final agreement at the end of March, which is sort of a political pledge. I think the prime minister is determined to resolve this issue.

(5) Government must stresses to US its great benefits from strengthened base functions in Guam by relocating Okinawa Marines

Commentary by Editorial Division member Hidemichi Katsumata

YOMIURI (Page 13) (Full)

March 23, 2006

In the ongoing Japan-US talks on US force realignment plans, Japan's share of the cost for the planned relocation of US Marines from Okinawa to Guam has taken center stage.

This issue will also be high on the agenda in the talks of foreign and defense deputy directors general from Japan and the United States to start in Tokyo today. In the US force realignment talks held so far, Japan and the US agreed on a plan to transfer to Guam about 8,000 Marines, including headquarters members, of the approximately 15,000 Marines stationed in Okinawa. The US has estimated 10 billion dollars or approximately 1,170 billion yen as the transfer cost.

The cost estimate includes expenditures for constructing the headquarters building, barracks, housing for troops' families, family welfare facilities, as well as infrastructure buildings such as roads, docks, electric power stations near bases. The US has asked Japan to pay 75% of the cost (approximately 880 billion yen) for relocating the Marines.

The Defense Agency (JDA) and the government have fiercely reacted to the request, one official remarking: "We cannot accept it at all. I wonder how the 75% was worked out."

A government source, though, stated: "It is necessary for us to consider the meaning of the figure 75%." The source added: "The US wants to underscore that the transfer of Marines to Guam is in response to Japan's request and is not part of US force realignment plans."

The US takes the above view based on a provision in the status of forces agreements (SOFA) that the US has concluded with Japan, South Korea, and the North Atlantic Treaty Organization (NATO).

Article 18 of the Japan-US Status of Forces Agreement stipulates that when the US military or US troops cause damage in Japan to third parties and if the US side alone is responsible, the cost incurred in satisfying claims shall be distributed in the proportion of 25% chargeable to Japan and 75% chargeable to the US. In the incident in which a US military helicopter crashed

TOKYO 00001521 007 OF 009

into the campus of Okinawa International University (in the summer of two years ago), it has been decided that the US will pay 75% of the 47 million yen in compensatory payment. Under the SOFAs with other countries as well, the maximum share is set at 75% even if one side alone is responsible, out of consideration given to security benefits enjoyed by both parties.

The planned relocation of Okinawa Marines to Guam is outside the reach of the Japan-US SOFA, so both sides will work out new legislation to determine their shares of the cost. Washington's request for Japan to foot 75% of the cost is supposedly based on the view that Japan is in charge of the planned Marine relocation.

Japan and the US expect to face stormy negotiations on US force realignment from now, but it is important for the government to clarify the meaning of bases in Guam in US force realignment plans.

In the 1990s in the post-cold war period, the US significantly reduced its bases in Guam, keeping Anderson Base and some others in place. But the US recently announced plans to make Guam its strategic base, focusing on China's ocean strategy aiming to advance into the Pacific Ocean. The US has decided to deploy B-2 Stealth bombers and cutting-edge F-22 fighters. It has also deployed several submarines since three years ago.

The purpose of the planned Marine relocation is to reduce the base burden on Okinawa. Given this, Japan must be ready to share a certain level of burden. Even so, it is also necessary for the government to underline that the reinforcement of its bases in Guam will greatly benefit the US. It is certain that huge costs will be needed for moving bases in Iwakuni (Yamaguchi Prefecture) and other cities in the nation. Without such, it is impossible to obtain public understanding.

(6) "Rising Sun-led crude oil" project now adrift

SANKEI (Page 3) (Full)
March 23, 2006

Statement by Koichiro Tanaka from the JIME Center, Institute of Energy Economics

Iran will not give up its nuclear ambitions. Its goal is to develop nuclear weapons, and by acquiring necessary technologies for the development of such weapons while denying its intention to possess them, to acquire deterrent force. Iran is trying to reach that goal, well aware that this is causing a stir in the international community. A halt to uranium enrichment activities does not serve as a bargaining chip.

Depending on the circumstances, Iran would surely try to unsettle other nations, for instance, Japan, and push the price of crude oil upward as a strategic move. But Iran needs to sell its oil, so as long as it is at liberty to export its oil, it will not take such actions as depriving Japan of its rights to develop the Azadegan oil field.

If a decision were made by an international coalition to impose economic sanctions on Iran or if Japan were to reduce its oil imports, either would deal a blow to Iran. Iran, though, has enough money set aside to keep its economy afloat for at least

TOKYO 00001521 008 OF 009

two years. If during that timeframe Iran could complete the process of uranium enrichment, a new game would begin.

Would Japan face difficulty if oil imports from Iran stopped? No. It is possible for Japan to buy oil from Saudi Arabia instead of Iran. However, if China and European nations do the same, oil supplies will not be smooth over the short term. Japan would then have to be ready to buy oil at much higher prices.

When it comes to securing independently developed oil fields, Japan has spent the past two decades adrift without charting a clear map for that purpose. Since winning the rights to develop the Azadegan oil field, Japan has not thought about what to do next. Japan has focused its energy for independent oil development solely on Azadegan in Iran. This strategy has now driven Japan into a tight spot.

(7) Arguments for and against whaling: Fisheries Agency - "Whale meat consumption can be expanded," "Whaling is necessary for controlling aquatic resources"; Those against whaling - "Japan's needs for whale meat are low," "Research is possible by observation"

TOKYO SHIMBUN (Page 28) (Slightly abridged)
March 22, 2006

The argument on whether whaling should be continued or not is becoming protracted. In the meantime, distributors' whale meat stocks are building up. The surplus of stocks might spark

discussions on the legitimacy of the argument that whale meat is Japan's traditional food. The discussions might pick up, covering such issues as the use of whale as a resource and how to protect them. The Tokyo Shimbun probed into the focus of the arguments.

Whale meat stocks

According to statistics on the distribution of chilled fishery products released by the Ministry of Agriculture, Forestry, and Fisheries (MAFF) on March 9, the trade inventory of whale meat stood at 3,512 tons as of the end of last December and 3,185 tons as of the end of this January. The Fisheries Agency noted that whale meat stocks dropped to 1,500 tons in the 1990s. It takes an aggressive view: "One reason for the increase in whale meat stocks is that the species of whales for research have increased since 2000. We sometimes receive inquiries from consumers about where they can buy whale meat. Consumption will increase if distribution routes are expanded."

On the other hand, Greenpeace Japan, an environmental organization, criticized whaling: "In a survey conducted in 1999 by an independent British research organization, only 1% of Japanese surveyed replied that they ate whale meat once a month. Consumer needs for whale meat are low, and yet whaling is continuing. The government should conduct a survey of the need for whale meat instead of research whaling." It also noted that in surveys conducted in the past, the government adopted an unfair questionnaire method in which it told respondents that the International Whaling Commission (IWC) allows research whaling when it questions respondents.

Research whaling

Research whaling is being carried out in order to do research on
TOKYO 00001521 009 OF 009

such matters as the number of whales. The Japan Whales and Other Marine Mammals Research Center is responsible for whaling. Portions of the whales caught in research whaling are preserved as samples, and the remaining parts are put on the market for sale. Profits from the sales are used to fund research whaling. According to the Fisheries Agency, 500 million yen a year in government funds is used for research whaling and more than 400 million yen for joint research with the IWC.

The Fisheries Agency stressed that research whaling was necessary to protect the ecosystem as well. It also added that it would aim to resume commercial whaling.

Greenpeace criticized research whaling: "We want the Fisheries Agency to take a second look at the situation in which humans casually leave food, including fish, half-eaten. We also want the government to survey the overexploitation of whales. Research on whales can be done through observation. DNA research is also possible, by sampling parts of whale bodies. It is not necessary to catch whales."

Traditional food

Some of those who are in favor of whaling have pointed out that whale meat is a traditional Japanese food and that it is inappropriate to criticize Japan's traditional culture.

The Fisheries Agency also noted: "Whaling is necessary in order to raise the nation's food self-sufficiency rate, which is overwhelmingly low among advanced industrialized nations. Is it all right for Japanese to eat imported foods instead of traditional food?"

Greenpeace and other anti-whaling organizations offered a counterargument: "Whales' gestation period is 10 to 17 months. Their reproductive rate is low, with whales giving birth to only one offspring at a time. They are not fit for commercial use. Is it traditional to dispatch high-tech vessels out into the Antarctic Ocean to catch whales?" They also noted, "Since Japan's food sufficiency rate is low, we should use our funds to increase

the rate in a more effective manner instead of carrying out research whaling."

The positions of those in favor of whaling and those against it differ in many areas ranging from food culture to the ecosystem. The future course of the arguments is not yet in sight.

SCHIEFFER